

JUN 28 2000

FRANCESCO --- INTERNATIONAL

Publishing

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Licensing & Acquisition

SWITCH Process

Management

TS 3

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FRANCESCO INTERNATIONAL

- SWITCH® Newsletter (1994)
 - 6 years old, subscribers in 24 countries
- SWITCH® Market Impact Studies (1995)
- Max Planning Series
 - Max the Molecule® (1996)
 - Max the Portfolio® (1997)
- SWITCH Process Management (1997)
 - The SWITCH Group®

Evolving Understanding of Rx-to-OTC Switches

*Francesco International focuses on
Rx-to-OTC Switches.*

We cover:

- molecules -- regulatory, marketing
- public benefit or risk, cost savings
- independent appraisal of product portfolios
- global/country product categories, products
- success factors for switching, etc.

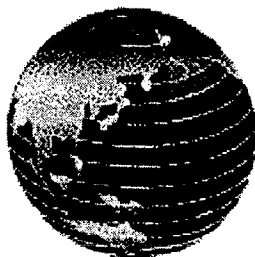
**FRANCESCO
INTERNATIONAL**

4 Sloan Street, Suites C-G, South Orange, NJ 07079

Tele. (973) 761-5566 Fax (973) 761-6996

Visit us on the web at RxtoOTCSwitch.com

We are now on the World Wide Web at FranInt.com



FRANCESCO
INTERNATIONAL



The principal mission of Francesco International is the responsible enhancement of self medication.

A specific business goal of Francesco International is to be the world's expert on the increasingly important subject of Rx-to-OTC switches. **We currently possess the world's largest database of analyzed knowledge on the subject of current and future Rx-to-OTC switches in major world markets.**

Or on the WWW at RxToOTCSwitch.com

The Slowing Down of Rx-to-OTC Switches

(1995-1999 in SWITCH[®] Major Markets)

Year	US	UK	Canada	Germany	France	Australia	Japan	Total
1995	6	5	2	2	0	3	3	21
1996	4	3	1	7	5	0	0	20
1997	3	0	5	6	3	0	4	21
1998	0	3	1	2	4	0	0	10
1999	1	0	3	3	3	1	1	12

Molecule switches only, for example nicotine patches are grouped as one.
OTC defined as products free to purchase without a prescription and advertiseable to the public.

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International Comparison Switches & Indications OTC

- Anti-viral
 - France/UK Penciclovir
 - Germany/UK Aciclovir
- Allergy
 - Multiple Mkts Non-sedate antihistamines
 - Multiple Mkts Mild steroids (beclo)

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DECLINE OF 3RD CLASS OF DRUGS

- Netherlands ends pharmacy only OTC
- UK expands GSL, reduces pharmacy only
- Canada now approves Dual after review
- GAO study finds it ineffective (1996)
- SWITCH study finds it outmoded nuisance

DUAL STATUS A BETTER SOLUTION

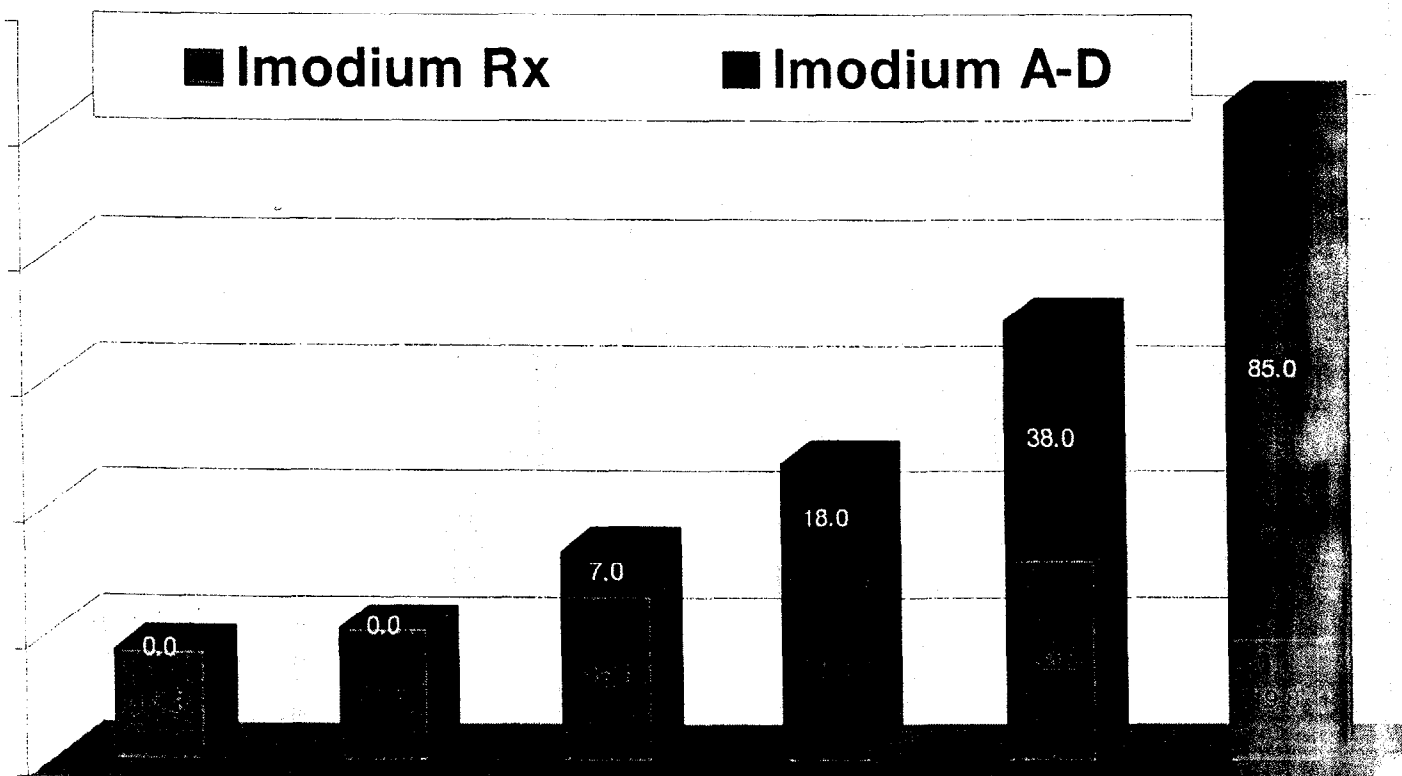
Dual Status Definition

- Simultaneous Rx and OTC existence
 - with same brand name
 - with 3-6 year patent protection
- Often high dose/ low dose
- Sometimes by indication
- International experience positive --
Germany, UK, France etc.

Imodium 86-92 Dual Status

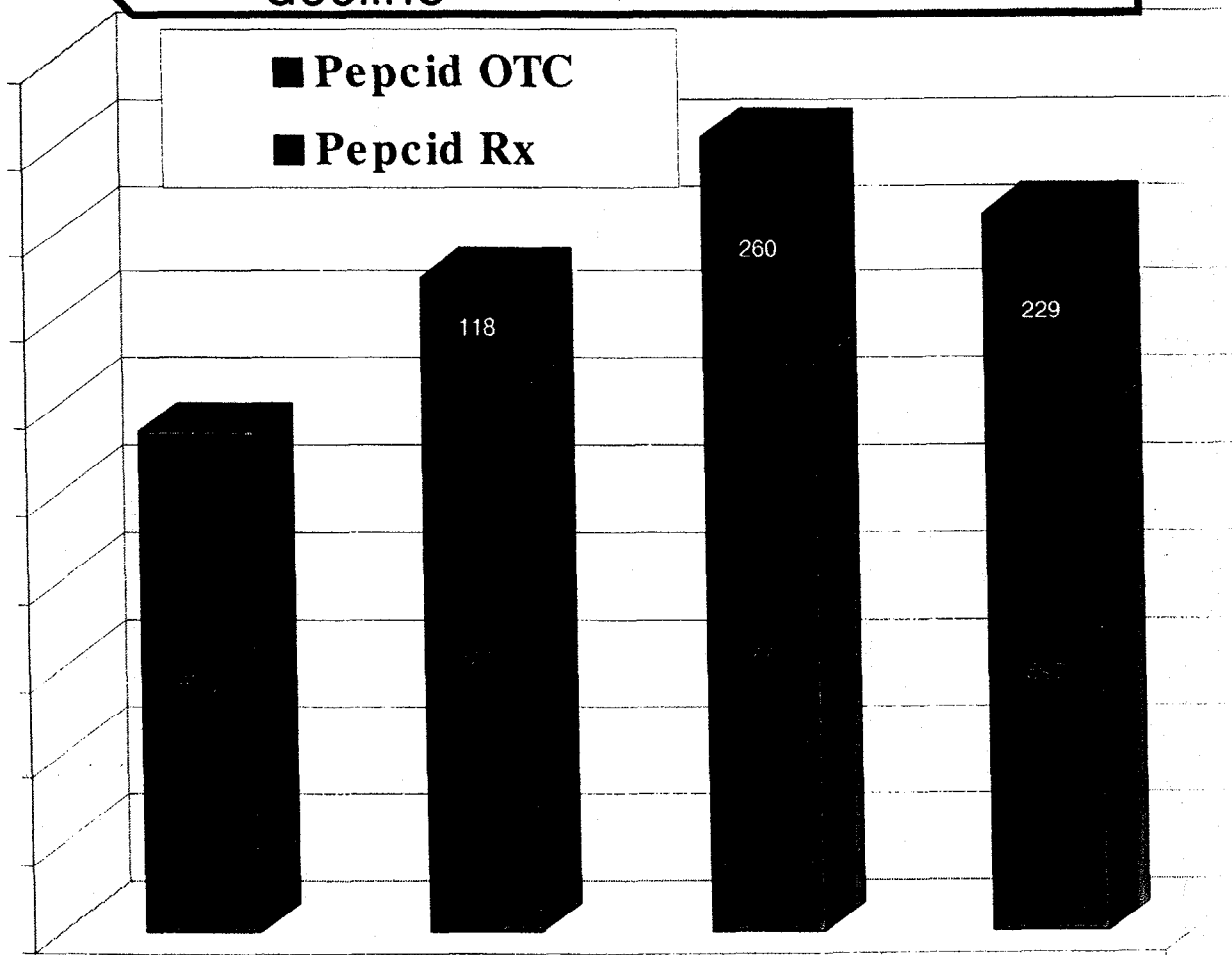
With Dual Status

- Rx sales can continue to grow
- OTC sales can compensate for lost Rx sales over time



Pepcid 94-97 Dual Status

With Dual Status it is entirely possible to keep Rx sales momentum and control rate of decline



Dual Status Solves Stakeholder Problems

- Reimbursement can remain
- Those who don't want to see MD can buy
- Expands the market for pharma
- Managed care has options,
 - depending on diagnosis, drug alternatives
 - can create OTC reimbursement budget

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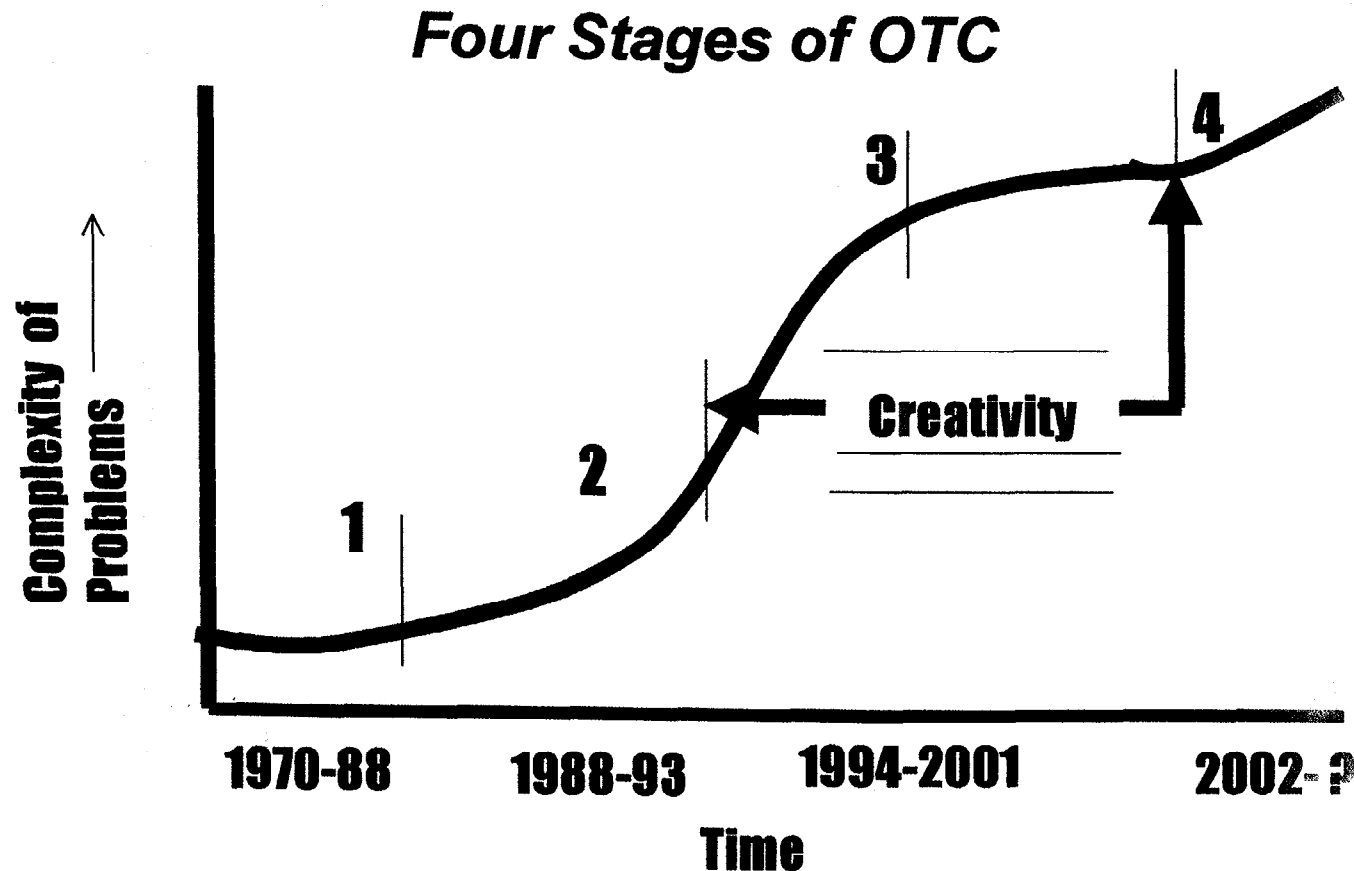
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The Four Stages of OTC Evolution

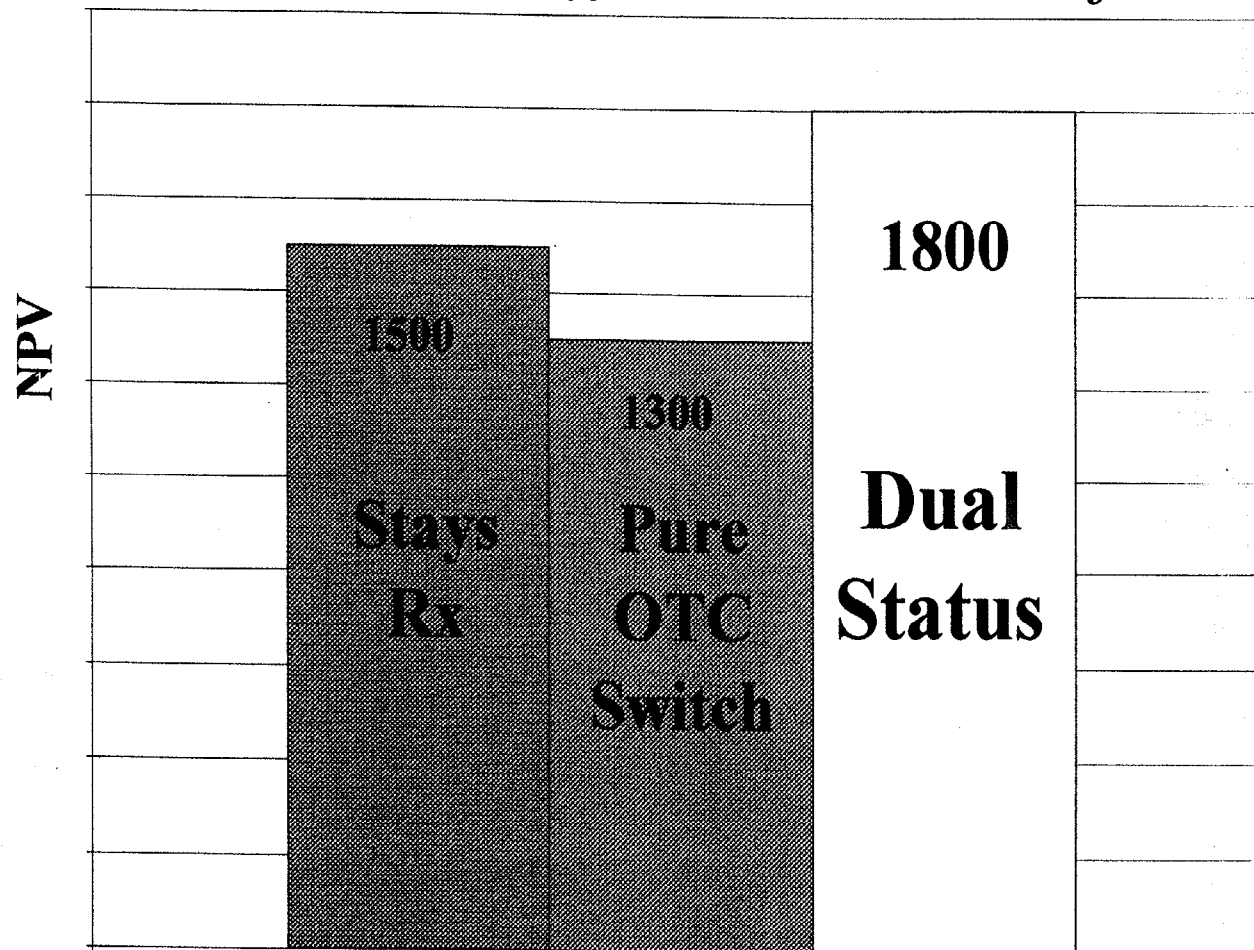
- We are Moving onto the 4th Stage of Evolution of Rx-to-OTC Switches





Dual Status Incentives to Pharmaceutical Companies

Dual Status is Offensive and Defensive



Ten Growing & Troubling Rx Health Indications That Should Be Considered for Some Form of OTC Status

- INCONTINENCE
- ASTHMA
- HYPERCHOLESTEROLEMIA
- HYPERTENSION
- ARTHRITIS
- OSTEOPOROSIS
- MIGRAINE
- BENIGN PROSTATE HYPERPLASIA
- VIRAL INFECTIONS
- EMERGENCY CONTRACEPTION

Francesco International Recommendation

PURSUE DUAL STATUS CONCEPT

- a) Review International Switch Scene
- b) Create mechanism to gain answers to chronic therapy questions
- c) Offer incentives
- d) Expand ideas like “test market” concept

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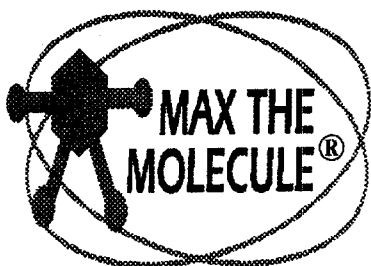
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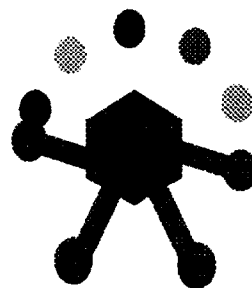
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**MAX the
Molecule ®**



**MAX the
Portfolio ®**



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